

JPMorgan High Yield Conference

5 February 2006

Duncan Bratchell – SVP Tax & Treasury

Agenda

- Group overview
 - financial highlights
- Business strategies
 - EMI Music Publishing
 - EMI Music

Group Overview



The EMI Group

– a worldwide leader in music

EMI Music

An outstanding roster of recorded music stars and a rich catalogue of recordings



EMI MUSIC PUBLISHING

An exceptional catalogue of songs and a roster of elite songwriters

Summary financials FY 04/05 ¹

	EMI Music	EMI Music Publishing	EMI Group
Revenue			
\$m	2,848	714	3,592
EBITA			
\$m	223	178	401
Margin	7.8%	24.9%	11.2%

¹ Exchange rate of 1.78 used to translate financials from £ into US\$

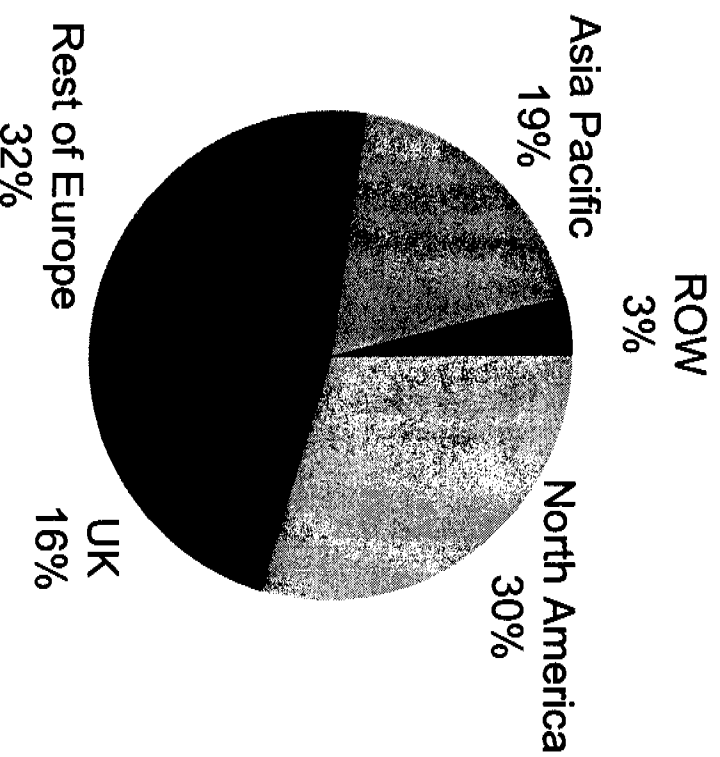
Source : EMI Group, IFRS adjusted

EMI

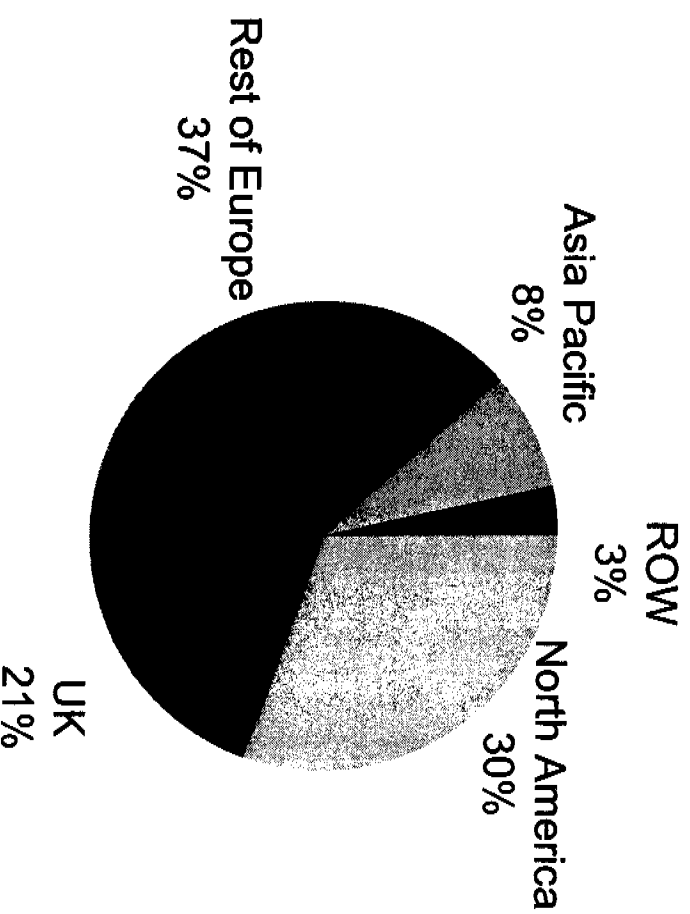


Geographically balanced – well positioned to capitalise on growth

Group revenue by origin
FY 04/05



Group operating profit by
origin FY 04/05



Key financials & credit ratios

	<u>H1 04/05</u>	<u>H1 05/06</u>	<u>Change</u>
Revenue	\$1,555.7m	\$1,645.8m	+5.8%
EBITA	\$137.1m	\$154.3m	+12.6%
<i>EBITA margin</i>	8.8%	9.4%	
Net debt	\$1,793.0m	\$1,895.2m	
Net debt / adj. EBITDA*	3.6x	3.8x	
Adj. EBITDA / Proforma net interest expense*	3.1x	2.9x	

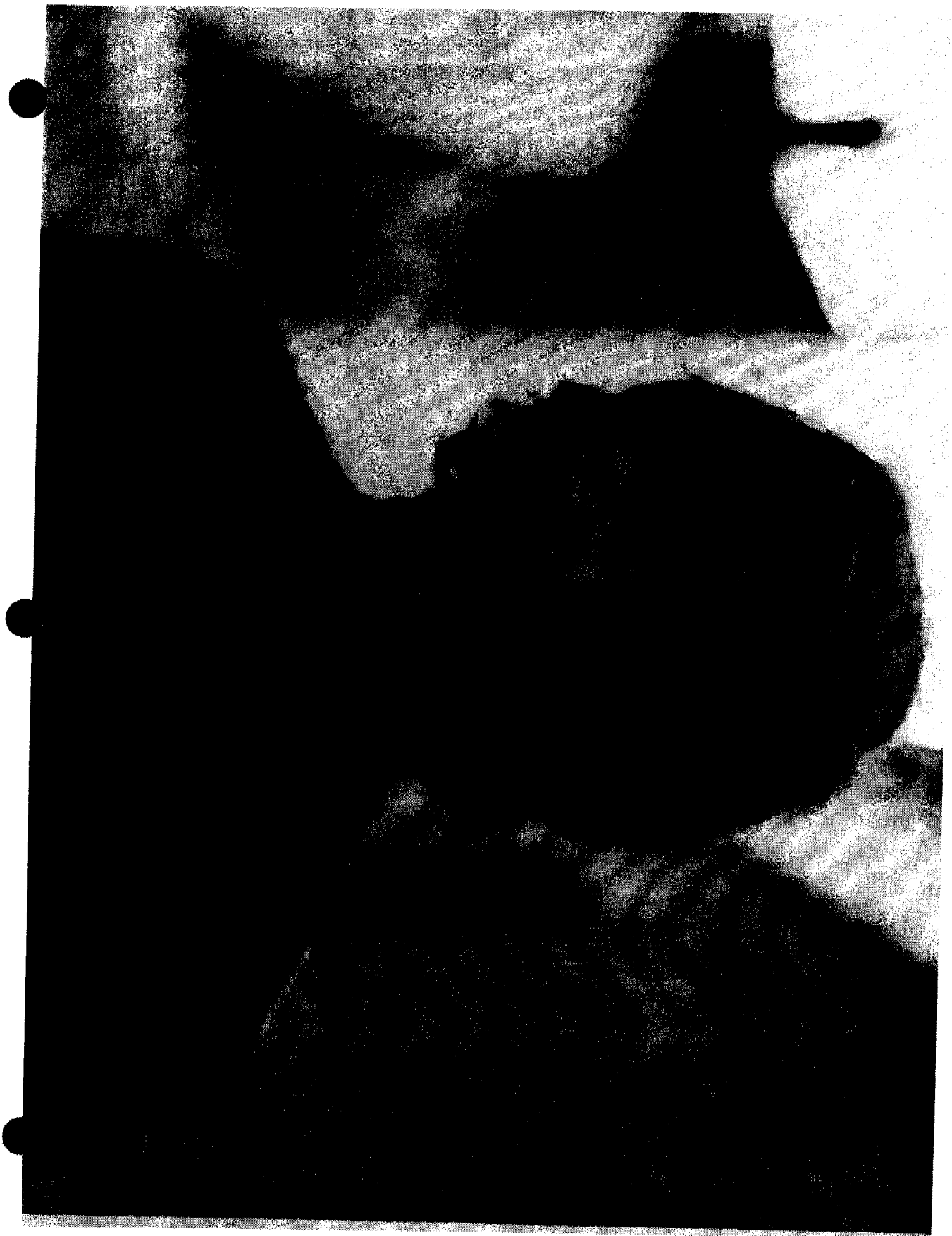
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EMI Music Publishing

EMI



The most valuable collection of songs – profits for today and the future

Ain't No Mountain High Enough • Angels • Baby Love • Blue Moon • Bohemian Rhapsody • Can't Get You Outa My Head • Can't Take My Eyes Off You • Crazy In Love • Dancing In The Moonlight • Dancing In The Street • Daydream Believer • Delta Classical • Don't Stop Me Now • Every Breath You Take • Fame • Fields of Gold • For Once In My Life • Free Ride • Get Down On It • Gonna Fly Now • Happy Days Are Here Again • Have Yourself A Merry Little Christmas • Hey Baby • Hooked On A Feeling • How Sweet It Is "To Be Loved By You" • Hungry Like The Wolf • I Heard It Through The Grapevine • I Like It • I Think I Love You • I'm Not In Love • Just The Way You Are • Ladies Night • Lady Marmalade • Let's Get It On • Little Drummer Boy • Look Of Love • Lose Yourself • Louie Louie • Maggie May • Mamma Mia • Mony Mony • My Favourite Things • My Girl • My Immortal • New York New York • On Broadway • Over The Rainbow • Oye Como Va • Papa Loves Mambo • Put A Little Love In Your Heart • Rise And Fall • Rock Your Body • Santa Claus Is Comin' To Town • Sexual Healing • Shout • Signed, Sealed, Delivered I'm Yours • Singin' In The Rain • Sleigh Ride • Strangers In The Night • Super Freak • Sweetdream My L.A. Ex • Take Good Care Of My Baby • That's The Way (I Like It) • The James Bond Theme • The Loco-Motion • The Look Of Love • The Wizard of Oz • This Old Heart of Mine • Too Lost In You • Total Eclipse Of The Heart • Turn Me On • Uptown Girl • Walking On Sunshine • We Gotta Get Out Of This Place • We Will Rock You • What I Like About You • What's Going On • Where You Lead • Wild Thing • Work Just A Little • You Can't Hurry Love • You've Got A Friend • You've Lost That Lovin' Feeling

Signing the best creative talent

Writer-performers



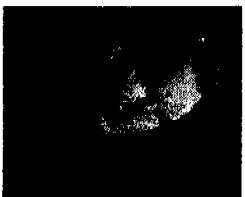
Jessica Simpson



Usher



White Stripes



Sting



Eminem



Kanye West



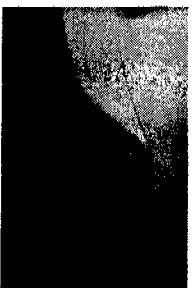
Jay-Z



Incubus



Jewel



Alan Jackson

Writer-producers



Jermaine Dupri

- Usher
- Lil Bow Wow
- Ludacris



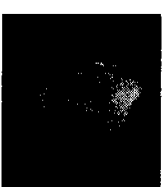
Cathy Dennis

- Kylie Minogue
- Will Young
- Britney Spears



Neptunes

- Jay-Z
- Usher
- 'N Sync



Guy Chambers

- Robbie Williams
- Beverley Knight
- Texas



Anders Bagge

- Jessica Simpson
- Celine Dion
- Jennifer Lopez

The Billboard Hot 100

January 21, 2006

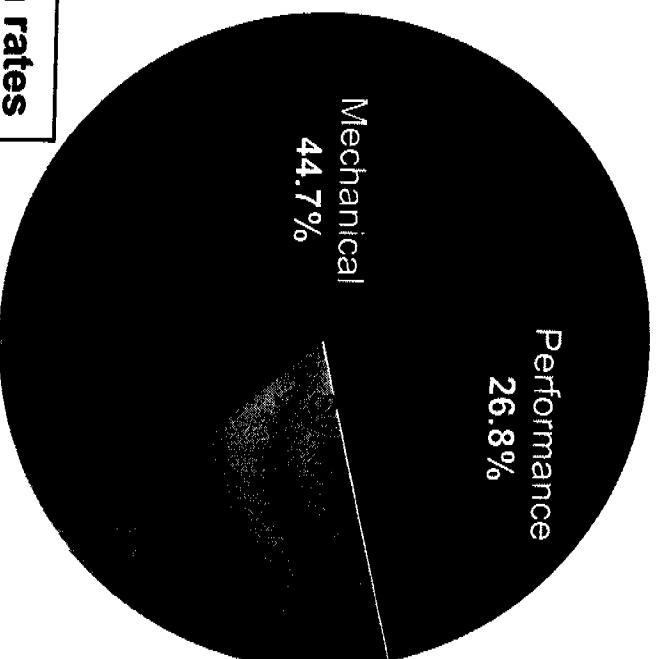
Rank	Title	Artist	EMI MP song
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2	Run It!	Chris Brown	
3	Check Out II	Ray J feat. Slim Jxmmi	
4	Don't Forget About Us	Monie Love	
5	Photograph	Nickelback	
6	Larry (feat. Lil' Kim)	D4K	
7	Gold Digger	Kanye West feat. Jamie Foxx	
8	Stickwitu	The Pussycat Dolls	
9	Dirty Little Secret	The All-American Rejects	
10	There It Go!	Juicy Santana	
11	My Humps	The Black Eyed Peas	
12	Dance, Dance	Fall Out Boy	
13	One Wish	Fall J	
14	Be Without You	Kelly Clarkson	
15	Be Without You	Mary J Blige	
16	Sugar, We're Going' Down	Fall Out Boy	
17	Young, Jezezy feat. Jazmine	Jamie Blunt	
18	Young, Jezezy feat. Jazmine	Young, Jezezy feat. Jazmine	
19	Stay Fly	Three 6 Mafia feat. Young Buck & Eightball & M.J.S.	
20	Beverly Hills	Weezer	
21	When I'm Gone	Eninem	
22	We Be Burnin'	T-Pain	
23	When I'm Gone	Eninem	
24	I'm Sprung	T-Pain	
25	You And Me	Lifehouse	



Digital revenues add to a diverse range of royalty streams

FY04/05

- CD sales
- Digital downloads
- Cassette sales
- Vinyl sales
- DVD sales
- Ring tones



- TV and radio broadcasts
- Live performances
- Music in nightclubs, bars, sporting events, shops

- Advertisements
- TV and film productions
- Toys, novelty items and merchandise
- Computer games
- Ring tones / tunes

Compound annual growth rates (FY99/00 – FY04/05)

Mechanical	-1.0%
Performance	+7.8%
Synchronisation	+10.6%
Other	+4.0%

- Theatre productions
- Sheet music
- Karaoke
- Ring tones / tunes

Source : EMI Group

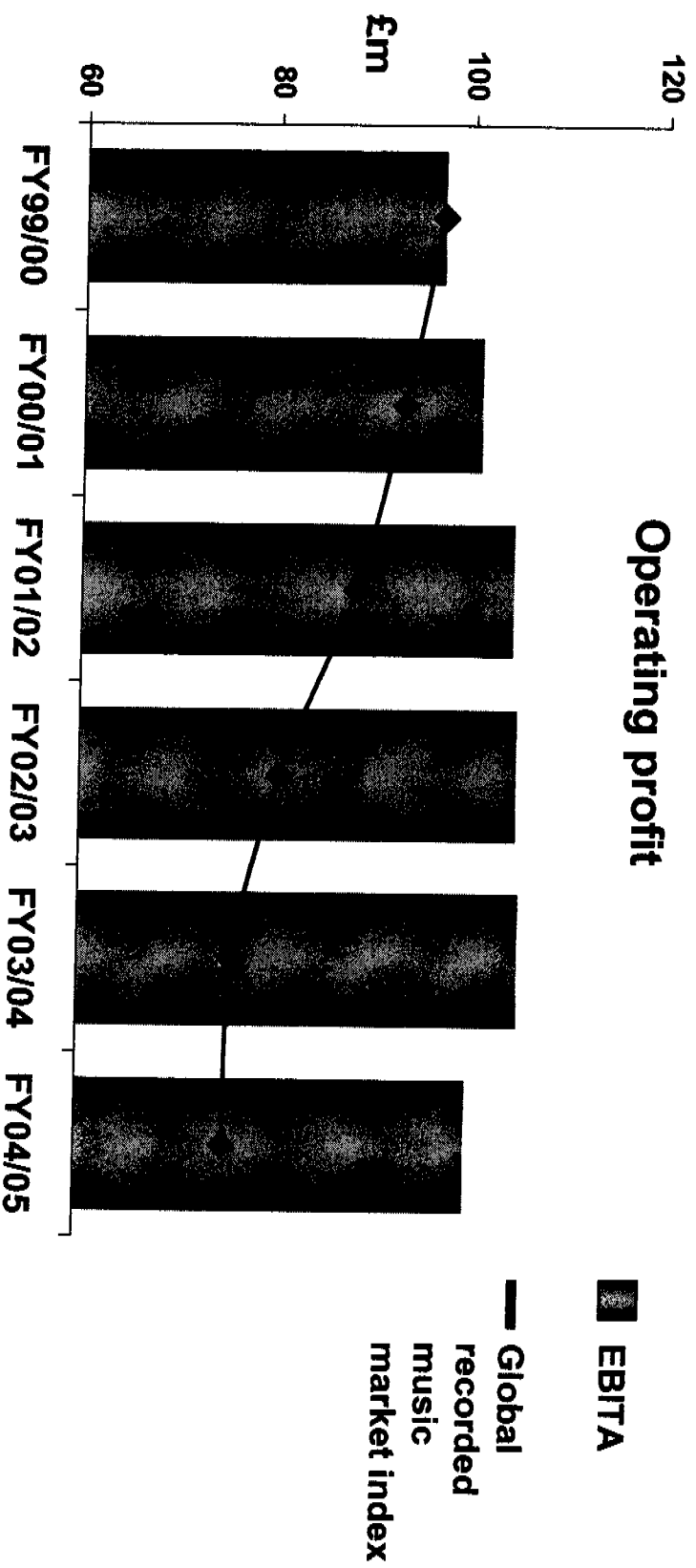
EMI

Maximising revenues from our catalogue

40 Year Old Virgin	Alias	Jersey Boys
Four Brothers	American Idol	Mamma Mia
Wedding Crashers	Desperate Housewives	We Will Rock You

Song	Campaign
100 Years	Chase / Bank One
Dancin' In the Moonlight	Fidelity Investments
Feel	Smart Cars
Money (That's What I Want)	American Express
My Girl	Little Debbie Snack Cakes
Shout	Aquafina

Resilience during challenging conditions



Note: At constant currency

Music Publishing – credit strengths

- Stable revenues from a broadening set of sources
- Consistent, high margins
- Low overheads, high economy of scale
- Strong and consistent cash generation
- Significant growth prospects
- Low risk

EMI Music

EMI





Catalogue of recordings - the foundation of sales and profits

1900-1930	Enrico Caruso, Pablo Casals, Nellie Melba, Ernest Lough, Edward Elgar, Adelina Patti, Luisa Tetrazzini, Fritz Kreisler, Camille Saint-Saens, Ignacy Jan Paderewski, Clara Butt
1930-1950	George Formby, Fats Waller, Johnny Mercer, Margaret Whiting, Jo Stafford, Mel Torme, Elizabeth Schwarzkopf, Ella Mae Morse and Freddie Flack, Stephane Grappelli, Noel Coward, Gracie Fields, Arturo Toscanini, Wilhelm Furtwangler, Andre Segovia, Thomas Beecham, Herbert von Karajan, Stan Kenton, Otto Klemperer
1950s	Nat King Cole, Frank Sinatra, Peggy Lee, Gene Vincent, Ruby Murray, Josef Locke, Cliff Richard, Dean Martin, The Chipmunks, Fats Domino, Ricky Nelson, The Kingston Trio, Al Martino, Les Paul, Kay Starr, Little Anthony and the Imperials, Tennessee Ernie Ford, Edith Piaf, Maria Callas, Nelson Riddle
1960s	Beatles, The Beach Boys, Gerry and The Pacemakers, Shirley Bassey, The Hollies, The Animals, Anne Murray, Helen Shapiro, Ike and Tina Turner, Peter Sellers, George Shearing, Judy Garland, Bobby Vee, Vera Lynn, Matt Monro, Dr. Hook, Manfred Mann, The Shadows, Glen Campbell, Hermans Hermits, Jacqueline du Pre
1970s	Queen, Pink Floyd, Rolling Stones, John Lennon, Paul McCartney, Marc Bolan, The Stranglers, Iron Maiden, Deep Purple, Mike Oldfield, Tavares, Kenny Rogers, Steve Miller, Don McLean, Natalie Cole, Badfinger, Grand Funk Railroad, The Buzzcocks, Joe Cocker, Andre Previn, Riccardo Muti, Itzhak Perlman
1980s	David Bowie, Tina Turner, Blondie, UB40, Simple Minds, Pet Shop Boys, Duran Duran, Bob Seger, Kate Bush, MC Hammer, Diana Ross, Crowded House, Maze, Robert Palmer, Paula Abdul, Steve Winwood, Richard Marx, Roxette, Soul 2 Soul, Heaven 17, Spandau Ballet, Bobby McFerrin, Simon Rattle, Nigel Kennedy
1990s	Spice Girls, Blur, Radiohead, Garth Brooks, Lenny Kravitz, Janet Jackson, Smashing Pumpkins, Beastie Boys, Enigma, Massive Attack, Chemical Brothers, Bonnie Raitt, Marillion, Kraftwerk, Cassandra Wilson, N*E*R*D, D'Angelo, Deana Carter, Everclear, Selena, Thalía, Roberto Alagna, Vanessa Mae

Constantly renewing our portfolio of enduring brands

Developing artists



KT Tunstall

Magic Numbers

RBD

Diam's

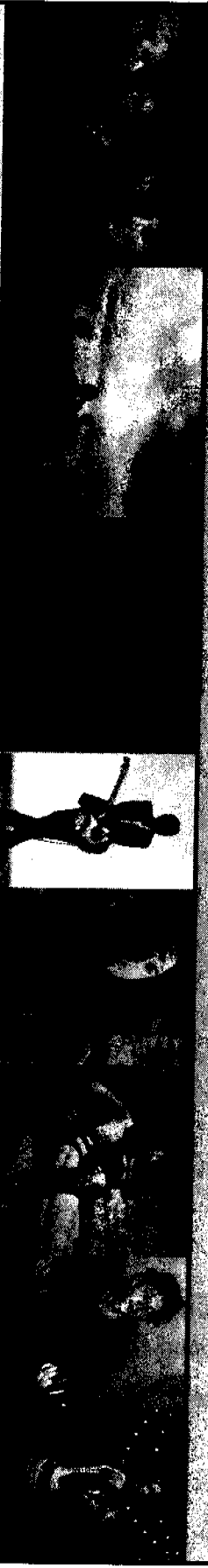
Bebe

Call

Goldfrapp

Missy Higgins

Promoting artists with long term career potential



The Rolling Stones

Coldplay

Gorillaz

Paul McCartney

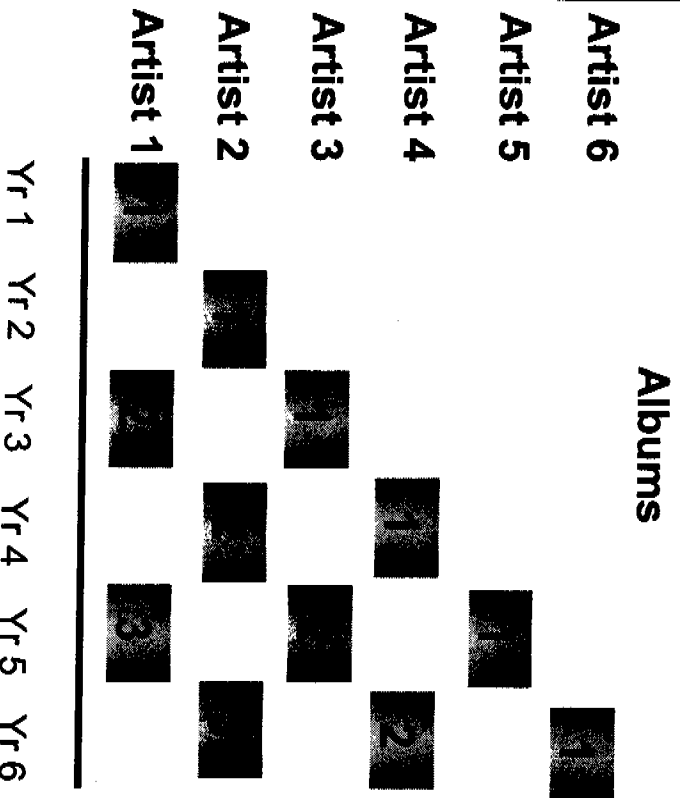
Keith Urban

Dierks Bentley

Raphael

Joss Stone

Building a portfolio of long term brands



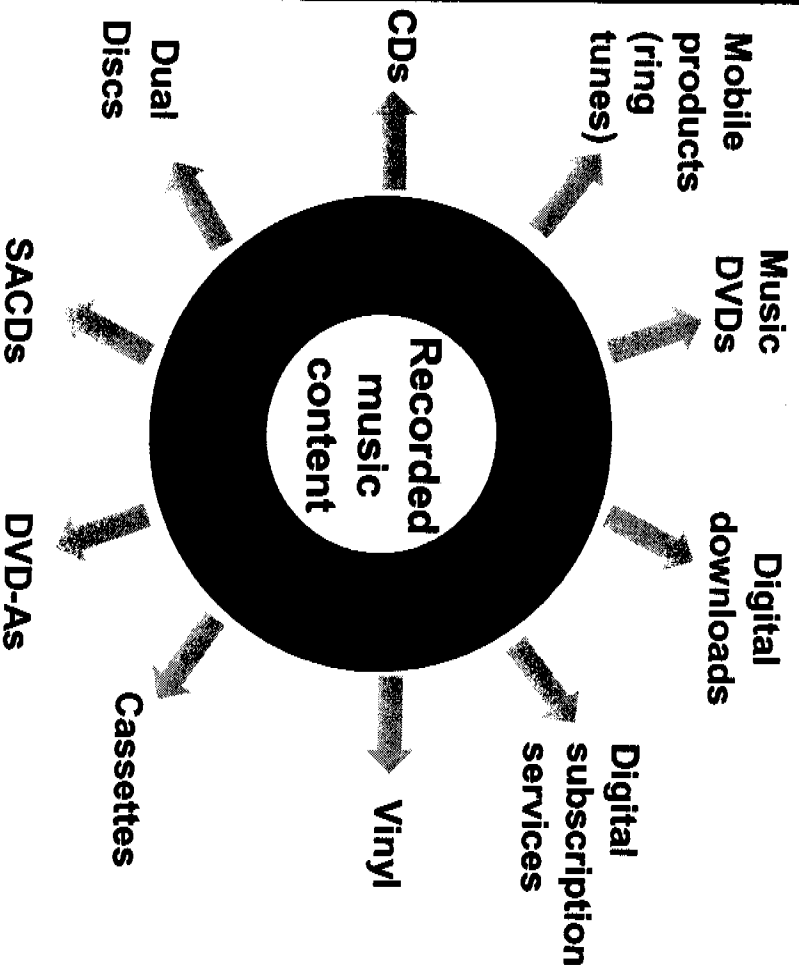
Note: Example assumes each artist releases a new album every other year

- EMI is focused on developing long term career artists who have multiple album successes
 - core fan base who eagerly await next album
 - new fans who discover the earlier albums
- Optimises business performance
 - leads to greater business stability
 - drives increased sales
 - improves levels of profitability

Effectively developing artists around the world

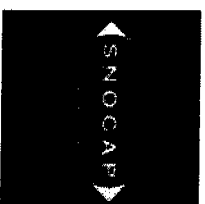
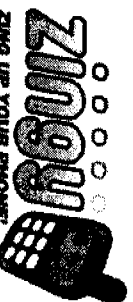
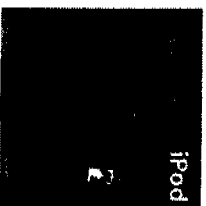
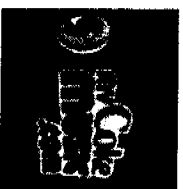
- Extensive worldwide operations across 50 countries
 - experienced national A&R, marketing and sales teams
- Developing local repertoire in all countries
 - meeting the sizeable consumer demand for local-language, culturally-specific music
- Creating global superstars
 - centralised global marketing capability
- Local presence enhances international marketing
 - maximising the sales potential of every artist

Pioneering the development of new and exciting music formats



- Digital revenues tripled to £64m for H1 05/06 – the same as for the full year 04/05
- Focused on understanding how consumers want to consume music
- Music content made available across all attractive formats
- New format development is fully integrated into our core business
 - no separate digital or mobile division

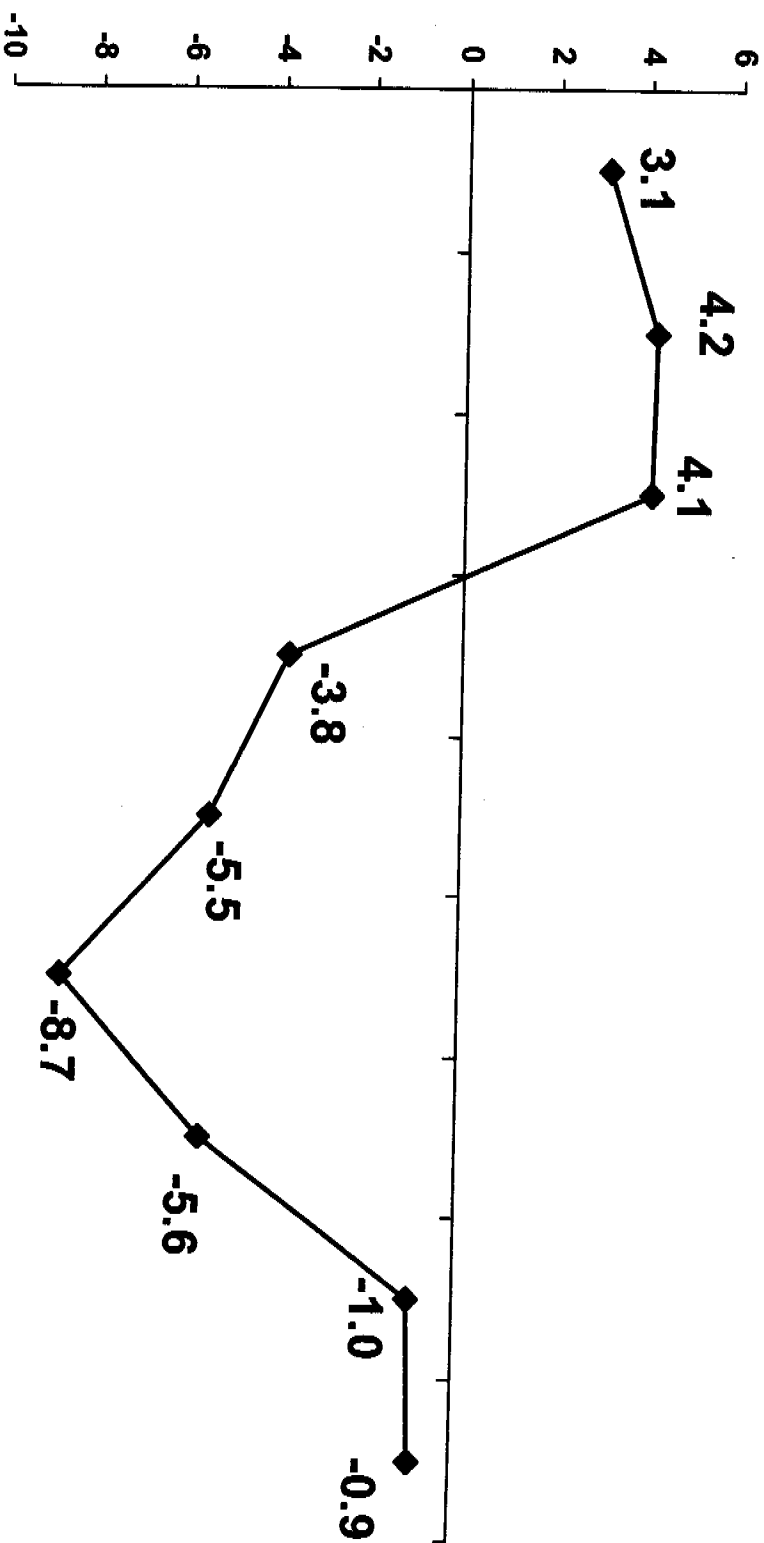
EMI is working with all major players in the digital space



EMI

Digital sales drive further market trend improvement

% change in value of global music market



Source: EMI and IFPI

Note: FY04 and H1 05 include digital sales

Recorded music – credit strengths

- An exceptional portfolio of “evergreen” recordings driving half of label sales
- A global artist roster – established names and the stars of tomorrow
- Disciplined cost management
- Modest capital requirements
- Intense focus on cash management
- Substantial opportunities for growth in digital

Positive outlook

- Digital to return global market to growth
- Digital drives greater efficiency and improved profitability
- Proven strategy of producing high quality music
- Ongoing strengthening of valuable bank of content
- Management focused on creating shareholder value

Job : 427
Date: 11/30/2006
Time: 9:22:32 AM

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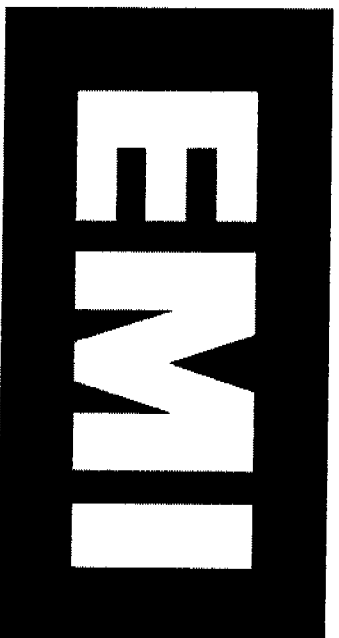
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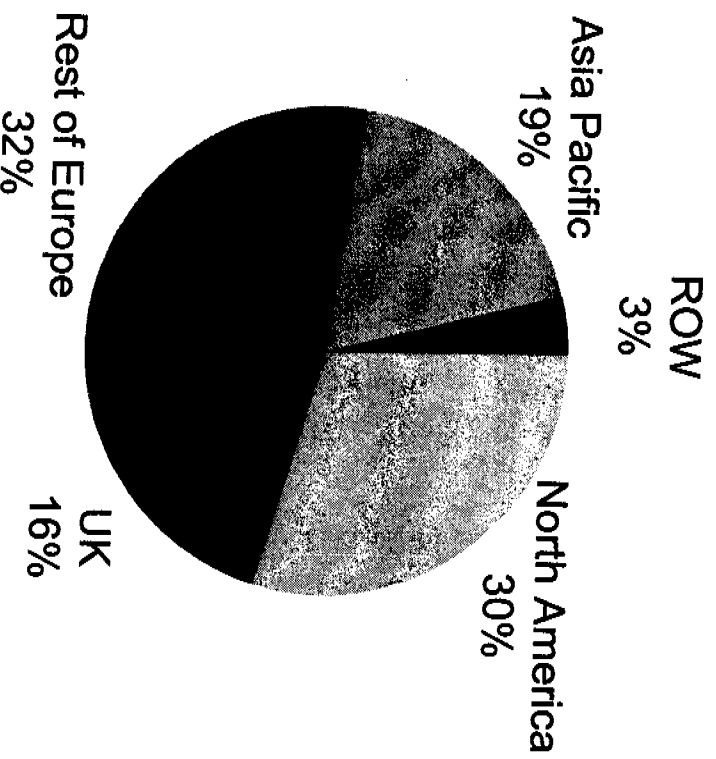
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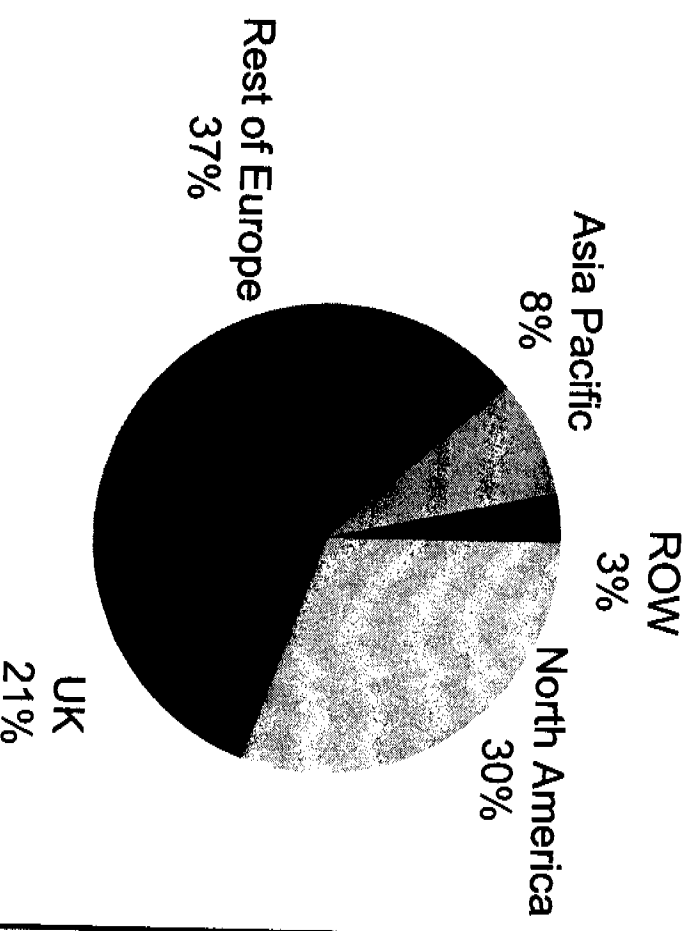
EMI

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Group revenue by origin
FY 04/05



Group operating profit by
origin FY 04/05



Key financials & credit ratios

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Net debt / adj. EBITDA*	3.6x	3.8x	
Adj. EBITDA	3.1x	2.9x	
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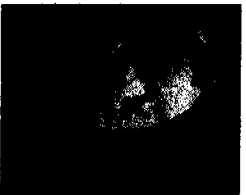
Jessica Simpson



Usher



White Stripes



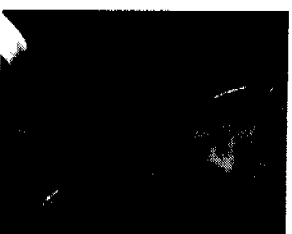
Sting



Eminem



Kanye West



Jay-Z



Incubus



Jewel



Alan Jackson

Writer-producers



Neptunes

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Jermaine Dupri

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- Lil Bow Wow
- Ludacris

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January 21, 2006

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Digital revenues add to a diverse range of royalty streams

FY04/05

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- DVD sales
- Ring tunes



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Source : EMI Group

Maximising revenues from our catalogue

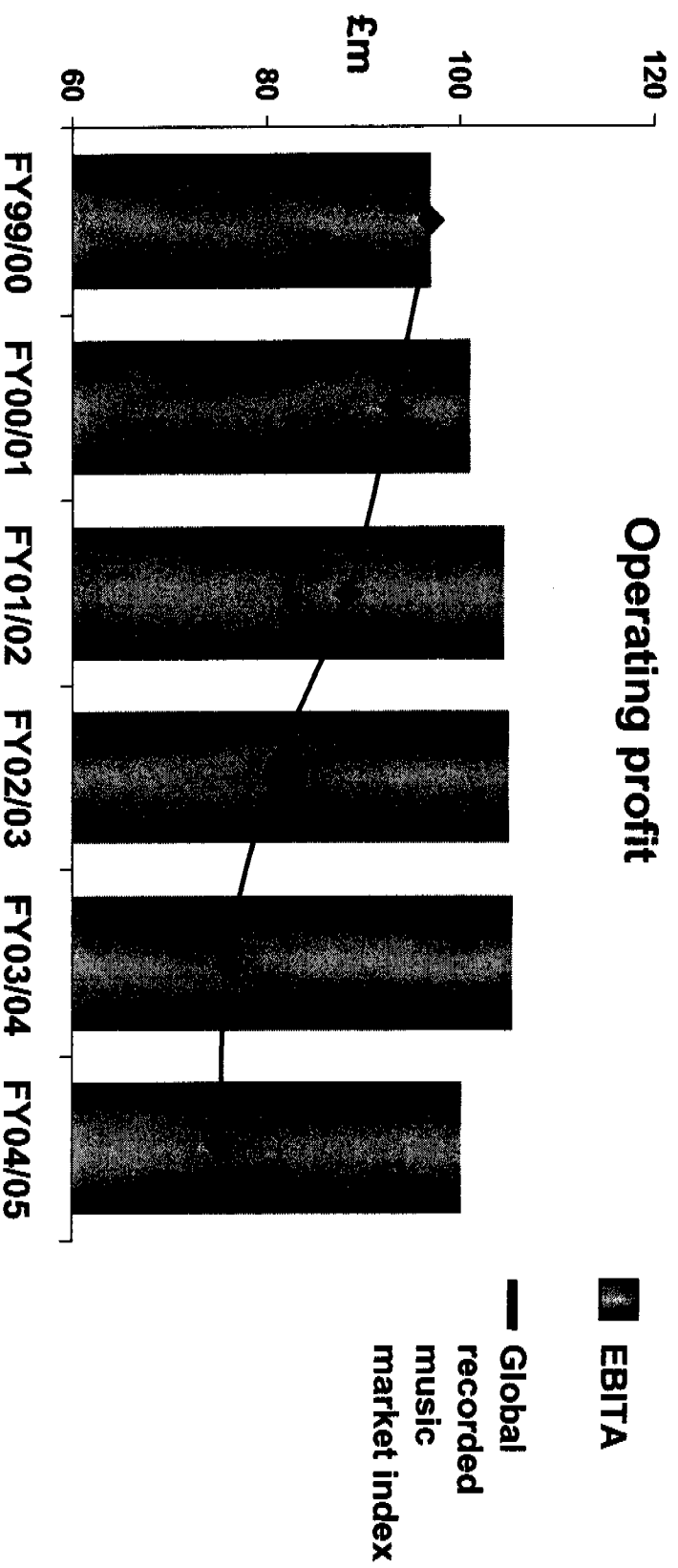
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Resilience during challenging conditions



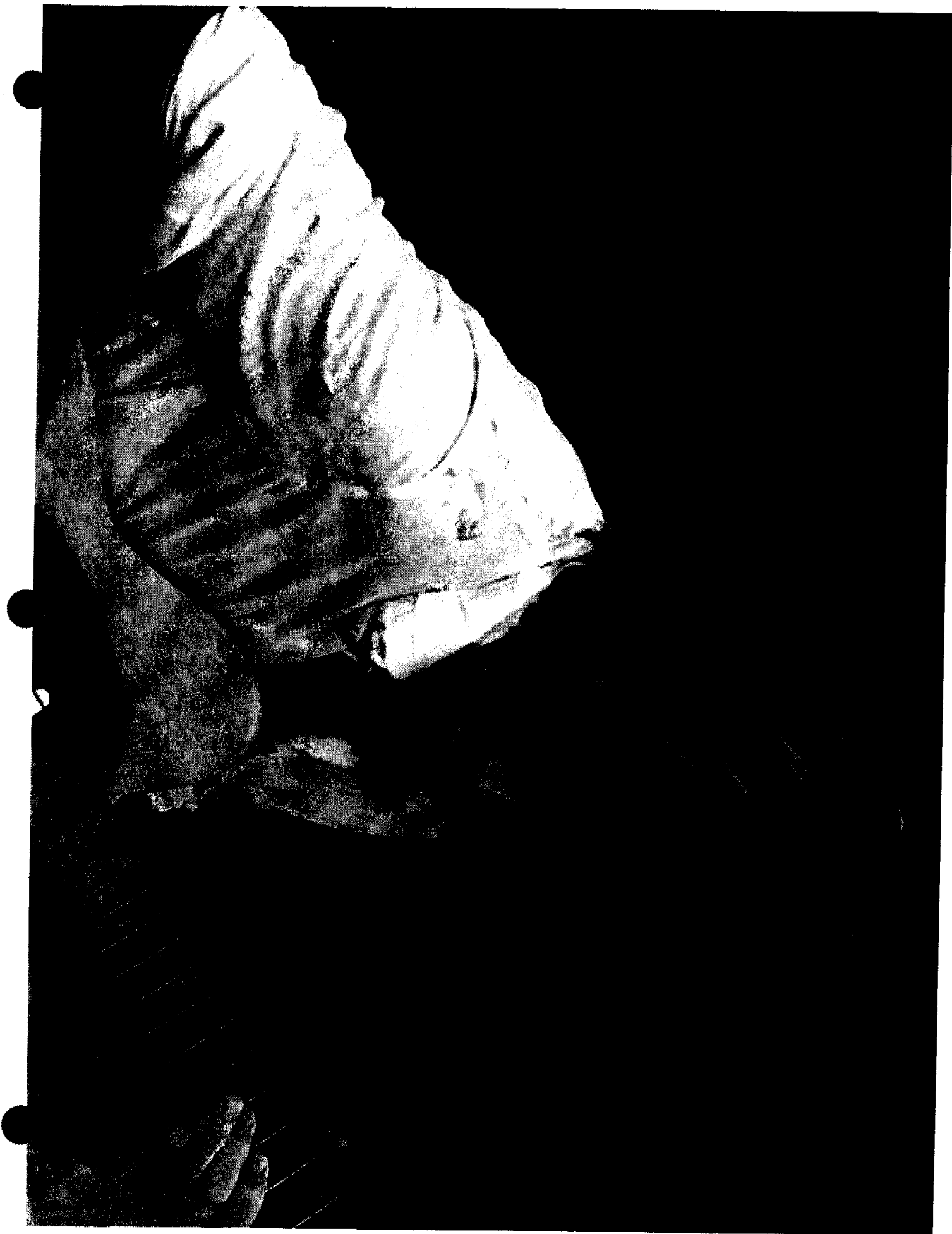
Note: At constant currency

Music Publishing – credit strengths

- Stable revenues from a broadening set of sources
- Consistent, high margins
- Low overheads, high economy of scale
- Strong and consistent cash generation
- Significant growth prospects
- Low risk

EMI Music

EMI



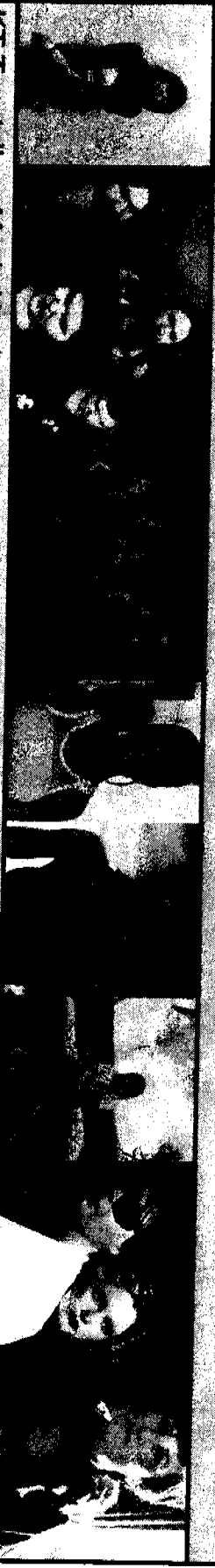
Catalogue of recordings – the foundation of sales and profits

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1930-1950	George Formby, Fats Waller, Johnny Mercer, Margaret Whiting, Jo Stafford, Mel Torme, Elizabeth Schwarzkopf, Ella Mae Morse and Freddie Flack, Stephane Grappelli, Noel Coward, Gracie Fields, Arturo Toscanini, Wilhelm Furtwangler, Andre Segovia, Thomas Beecham, Herbert von Karajan, Stan Kenton, Otto Klemperer
1950s	Nat King Cole, Frank Sinatra, Peggy Lee, Gene Vincent, Ruby Murray, Josef Locke, Cliff Richard, Dean Martin, The Chipmunks, Fats Domino, Ricky Nelson, The Kingston Trio, Al Martino, Les Paul, Kay Starr, Little Anthony and the Imperials, Tennessee Ernie Ford, Edith Piaf, Maria Callas, Nelson Riddle
1960s	Beatles, The Beach Boys, Gerry and The Pacemakers, Shirley Bassey, The Hollies, The Animals, Anne Murray, Helen Shapiro, Ike and Tina Turner, Peter Sellers, George Shearing, Judy Garland, Bobby Vee, Vera Lynn, Matt Monro, Dr. Hook, Manfred Mann, The Shadows, Glen Campbell, Hermans Hermits, Jacqueline du Pre
1970s	Queen, Pink Floyd, Rolling Stones, John Lennon, Paul McCartney, Marc Bolan, The Stranglers, Iron Maiden, Deep Purple, Mike Oldfield, Tavares, Kenny Rogers, Steve Miller, Don McLean, Natalie Cole, Badfinger, Grand Funk Railroad, The Buzzcocks, Joe Cocker, Andre Previn, Riccardo Muti, Itzhak Perlman
1980s	David Bowie, Tina Turner, Blondie, UB40, Simple Minds, Pet Shop Boys, Duran Duran, Bob Seger, Kate Bush, MC Hammer, Diana Ross, Crowded House, Maze, Robert Palmer, Paula Abdul, Steve Winwood, Richard Marx, Roxette, Soul 2 Soul, Heaven 17, Spandau Ballet, Bobby McFerrin, Simon Rattle, Nigel Kennedy
1990s	Spice Girls, Blur, Radiohead, Garth Brooks, Lenny Kravitz, Janet Jackson, Smashing Pumpkins, Beastie Boys, Enigma, Massive Attack, Chemical Brothers, Bonnie Raitt, Marillion, Kraftwerk, Cassandra Wilson, N*E*R*D, D'Angelo, Deana Carter, Everclear, Selena, Thalía, Roberto Alagna, Vanessa Mae



Constantly renewing our portfolio of enduring brands

Developing artists



KT Tunstall

Magic Numbers

RBD

Danni's

Bebe

Call

Goldfrapp

Missy Higgins

Promoting artists with long term career potential



The Rolling Stones

Coldplay

Gorillaz

Paul McCartney

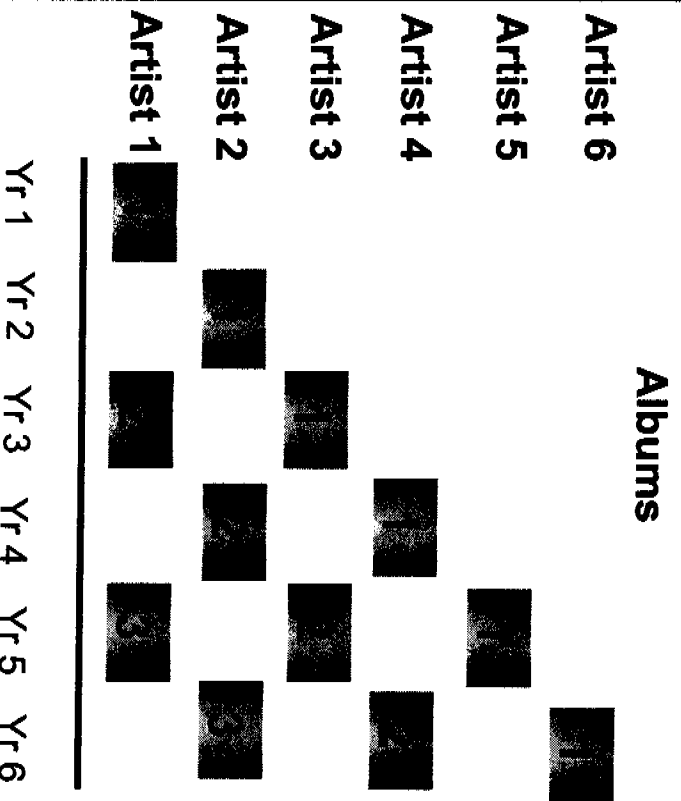
Keith Urban

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Note: Example assumes each artist releases a new album every other year

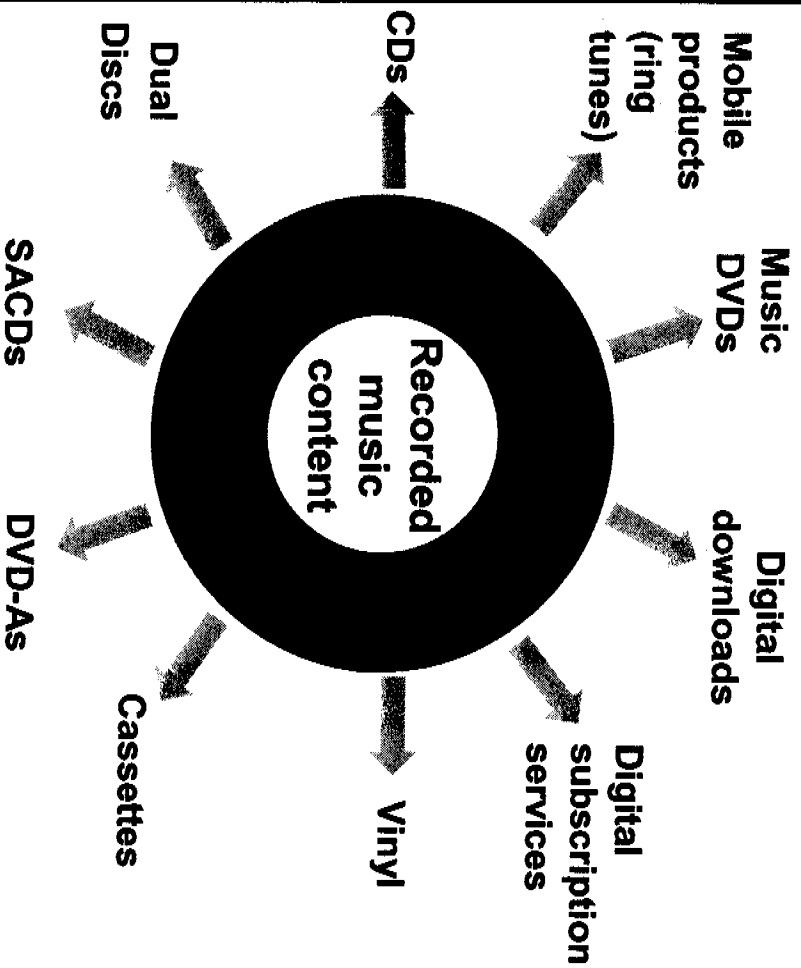


- EMI is focused on developing long term career artists who have multiple album successes
 - core fan base who eagerly await next album
 - new fans who discover the earlier albums
- Optimises business performance
 - leads to greater business stability
 - drives increased sales
 - improves levels of profitability

Effectively developing artists around the world

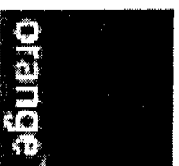
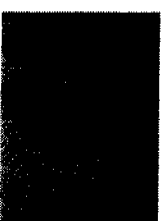
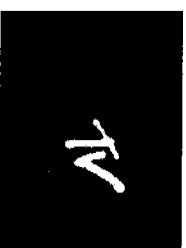
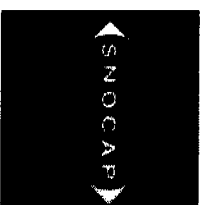
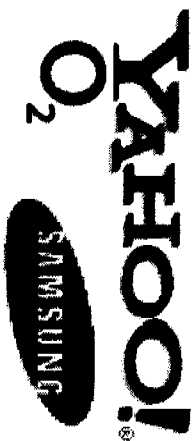
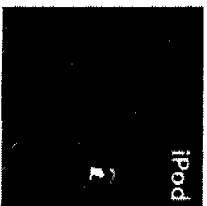
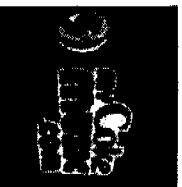
- Extensive worldwide operations across 50 countries
 - experienced national A&R, marketing and sales teams
- Developing local repertoire in all countries
 - meeting the sizeable consumer demand for local-language, culturally-specific music
- Creating global superstars
 - centralised global marketing capability
- Local presence enhances international marketing
 - maximising the sales potential of every artist

Pioneering the development of new and exciting music formats



- Digital revenues tripled to £64m for H1 05/06 – the same as for the full year 04/05
- Focused on understanding how consumers want to consume music
- Music content made available across all attractive formats
- New format development is fully integrated into our core business
 - no separate digital or mobile division

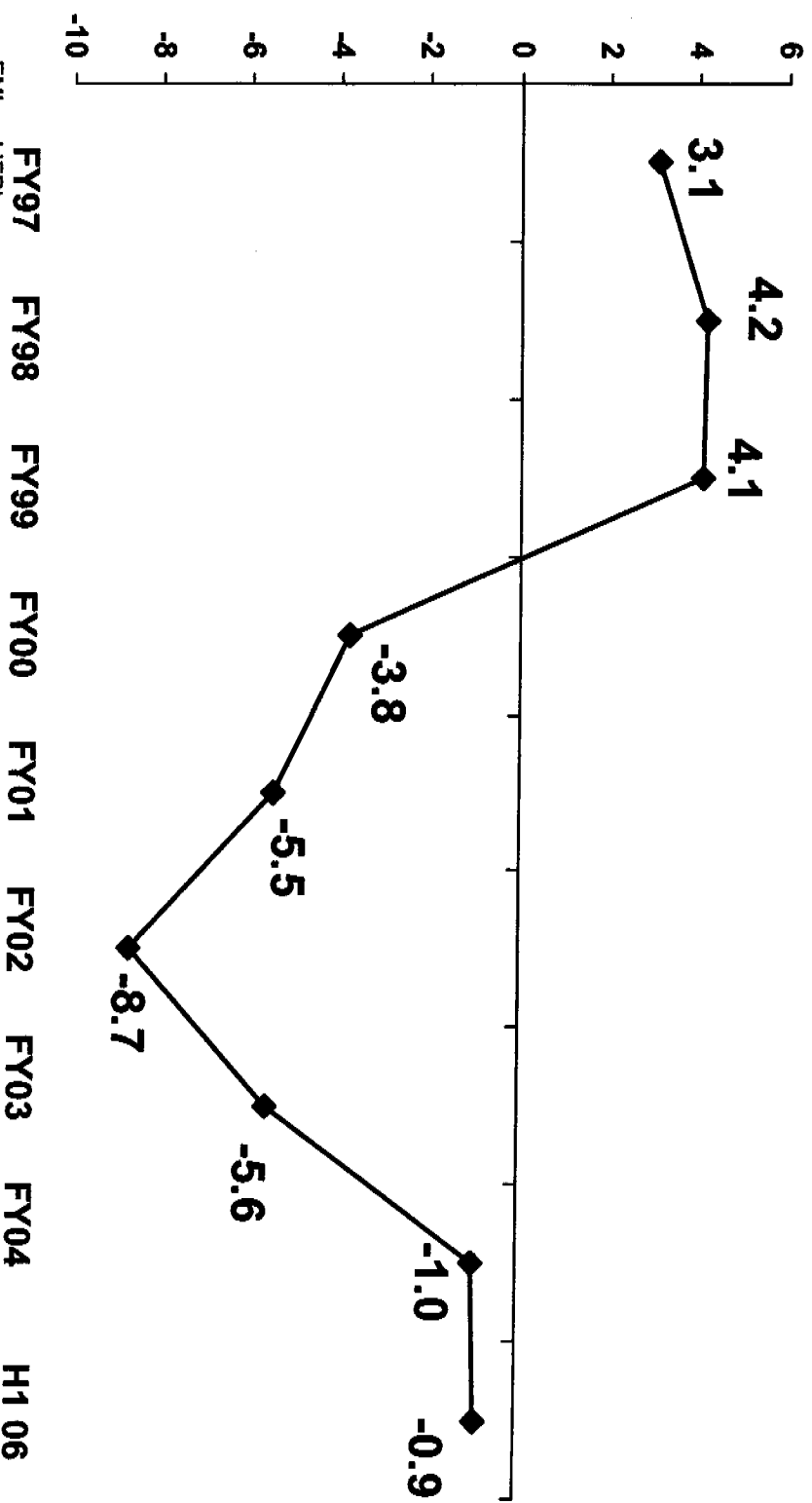
EMI is working with all major players in the digital space



EMI

Digital sales drive further market trend improvement

% change in value of global music market



Source: EMI and IFPI

Note: FY04 and H1 05 include digital sales

Recorded music – credit strengths

- An exceptional portfolio of “evergreen” recordings driving half of label sales
- A global artist roster – established names and the stars of tomorrow
- Disciplined cost management
- Modest capital requirements
- Intense focus on cash management
- Substantial opportunities for growth in digital

Positive outlook

- Digital to return global market to growth
- Digital drives greater efficiency and improved profitability
- Proven strategy of producing high quality music
- Ongoing strengthening of valuable bank of content
- Management focused on creating shareholder value